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RECORDATION NO. 24410 FILED

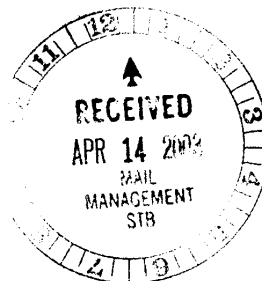
April 8, 2003

APR 15 '03 1:46 AM

Via Certified Mail

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

SURFACE TRANSPORTATION BOARD



Re: Documents for Recordation

Dear Mr. Williams

Enclosed is an original and one certified copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a security agreement, a primary document, dated March 11, 2003.

The names and addresses of the parties to the documents are as follows:

Debtor: FCM Rail, Ltd.
7255 East Baldwin Road
Grand Blanc, Michigan 48439

Secured Party: The Huntington National Bank, as Syndication Agent
801 West Big Beaver Road, Suite 600
Troy, Michigan 48084

Enclosed is a Security Agreement from FCM Rail, Ltd., a Michigan corporation, to The Huntington National Bank, as Syndication Agent, a national banking association, dated March 11, 2003 covering specific goods as more fully described below:

See Schedule 1(h) to Security Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of Surface Transportation Board covering the recordation fee.

Please return a recorded acknowledged copy of the enclosed document and any copies not needed by the Board to Marie H. Godush at Dickinson Wright PLLC, 500 Woodward Avenue, Suite 4000, Detroit, Michigan 48226.

C o u n s e l l o r s A t L a w

DETROIT BLOOMFIELD HILLS LANSING GRAND RAPIDS ANN ARBOR
WASHINGTON, D.C.

DICKINSON WRIGHT PLLC

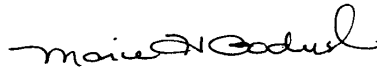
Mr. Vernon A. Williams
April 8, 2003
Page 2

A short summary of the document to appear in the index follows:

Security Agreement

I appreciate your timely attention to this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Marie Horton Godush".

Marie Horton Godush

MG/
Enclosure
cc: William P. Shield, Jr.

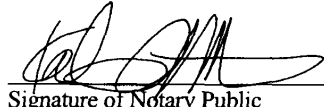
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C o u n s e l l o r s A t L a w

DETROIT BLOOMFIELD HILLS LANSING GRAND RAPIDS ANN ARBOR
WASHINGTON, D.C.

CERTIFICATE

On this 7th day of April, 2003, I have compared the copy with the original of the Security Agreement and found the copy to be complete and indential in all respects to the original document.



Signature of Notary Public

My commission expires _____

**KATHLEEN A. METEVIER
Notary Public, Wayne County, MI
My Commission Expires 06/03/2006**

RECORDATION NO. 24410 FILED

APR 15 '03 7-46 AM

SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS SECURITY AGREEMENT, dated as of March 11, 2003 (this "Security Agreement"), is made by FCM Rail, Ltd., a Michigan corporation (the "Company"), in favor of the Lenders (collectively, the "Lenders" and individually, a "Lender"), and The Huntington National Bank, a national banking association, as syndication agent for the Lenders (in such capacity, the "Syndication Agent"), for the benefit of itself and the Lenders now or hereafter parties to the Credit Agreement described below.

RECITALS

A. The Company has entered into a Credit Agreement dated of even date herewith (as further amended, supplemented, extended, restated or otherwise modified from time to time, including any agreement entered into in substitution therefor, the "Credit Agreement"), with the Lenders, the Syndication Agent, and Fifth Third Bank, as Administrative Agent for the Lenders, pursuant to which the Lenders may make Loans (as therein defined) to the Company.

B. Under the terms of the Credit Agreement, the Company has agreed to grant to the Syndication Agent, for the benefit of itself and the Lenders, a first-priority security interest, subject only to security interests expressly permitted by the Credit Agreement, in and to the Collateral hereinafter described. Terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement. Unless otherwise defined herein or in the Credit Agreement, terms used in Article 9 of the Uniform Commercial Code in the State of Michigan are used herein as therein defined from time to time.

Accordingly, the parties hereto agree as follows:

AGREEMENT

To secure (a) the prompt and complete payment of all Lender Indebtedness and all other obligations and liabilities of the Company or any Subsidiary now or hereafter owing to the Lenders or the Agents under or on account of the Credit Agreement, any other Loan Document or any letters of credit, notes or other instruments issued to the Agents or Lenders pursuant thereto, (b) the performance of the covenants under the Credit Agreement, the Security Documents and the other Loan Documents and any monies expended by any Agent or any Lender in connection therewith, including without limitation any amounts that any Agent or any Lender may advance or spend for the maintenance or preservation of the Collateral or in connection with the preparation, administration, collection or enforcement of any of the Loan Documents, and (c) the prompt and complete payment of all obligations and performance of all covenants of the Company under any interest rate or currency swap agreements or other Swaps with any Lender or any Affiliate of any Lender, in all cases, of any kind or nature, howsoever created or evidenced and whether now or hereafter existing, direct or indirect (including without limitation any participation interest acquired by any Lender in any such indebtedness, obligations or liabilities of the Company or any Subsidiary to any other person), absolute or contingent, joint and/or several, secured or unsecured, arising by operation of law or otherwise, and whether incurred by the Company or any Subsidiary as principal, surety, endorser, guarantor, accommodation party or otherwise, including without limitation all principal and all interest (including any interest accruing subsequent to any petition filed by or against the Company or any Subsidiary under the U.S. Bankruptcy Code), indemnity and reimbursement obligations, charges, expenses, fees, attorneys' fees

and disbursements and any other amounts owing thereunder (all of the aforesaid indebtedness, obligations and liabilities of the Company and its Subsidiaries being herein called the "Secured Obligations", and all of the documents, agreements and instruments among the Company, the Subsidiaries, the Agents, the Lenders, or any of them, evidencing or securing the repayment of, or otherwise pertaining to, the Secured Obligations including without limitation the Credit Agreement, the Notes, the Security Documents and the other Loan Documents, being herein collectively called the "Operative Documents"), for value received and pursuant to the Credit Agreement, the Company hereby grants, assigns and transfers to the Syndication Agent for the benefit of the Lenders and the Agents a first-priority security interest, subject only to Permitted Liens, in and to the following described personal property whether now owned or existing or hereafter acquired or arising and wherever located (all of which is herein collectively called the "Collateral"):

(a) All of the Company's present and future Accounts, Documents, Instruments, Investment Property, General Intangibles (including without limitation Payment Intangibles and Software), Deposit Accounts, Letter-of-Credit Rights and Chattel Paper, including, but without limitation, all Supporting Obligations and all monies and claims for money due or to become due to the Company, security held or granted to the Company, and all assets described in clause (e) below;

(b) All of the Company's Equipment (including without limitation all Rolling Stock described below), Farm Products, and Fixtures, whether now owned or hereafter acquired, and wherever located, and whether used by the Company or any other person, or leased by the Company to any person and whether the interest of Company is as owner, lessee or otherwise;

(c) All of the Company's present and future Inventory (including without limitation all Rolling Stock described below) of every type, wherever located, including but not limited to raw materials, work in process, finished goods and all inventory that is available for leasing or leased to others by the Company;

(d) All of the Company's present and future vessels, railroad cars, locomotives or other rolling stock (including superstructures and racks) intended for a use related to interstate commerce, including (i) all attachments, accessions, fittings, equipment and property now or hereafter affixed thereto or used in connection therewith, and all substitutions and replacements thereof; (ii) all books and records relating to any of the foregoing whether presently existing or hereafter arising, including, without limitation, all tapes, cards, computer programs and computer data of any computer service bureau or other third party; (iii) all improvements and replacements hereafter made in or to the foregoing; and (iv) any and all proceeds and products of the foregoing in any form, including without limitation, any and all proceeds of the sale, lease, assignment, requisition, taking or other dispositions or arrangements of any or all of the foregoing (including, without limitation, all income, profits, lease and rental payments, per them mileage, mileage credits, excess mileage credits, and any and all other revenues or monies of whatsoever nature generated by or attributable to the foregoing), any claims against third parties for loss, damage or destruction of any or all of the foregoing, and all insurance proceeds relating to all of the above (all of the assets described in this clause (d) collectively referred to as the "Rolling Stock");

(e) All other present and future property of the Company (whether tangible or intangible) other than real estate, including but not limited to all trademarks, tradenames, service marks, patents, industrial designs, masks, trade names, trade secrets, copyrights, franchises, customer lists, service marks, computer programs, software, tax refund claims, licenses and permits, and the good will associated therewith and all federal, state, foreign and other applications and registrations therefor, all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof now or hereafter in effect, all income, license royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, any damages, proceeds or payments for past or

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future infringements thereof and all income, royalties, damages and payments under all licenses thereof, the right to sue for past, present and future infringements thereof, all right, title and interest of the Company as licensor under any of the foregoing whether now owned and existing or hereafter arising, and all other rights and other interests corresponding thereto throughout the world (all of the assets described in this clause (e) collectively referred to as the "Intellectual Property");

(f) To the extent not listed above as original collateral, all products and proceeds of any and all of the foregoing.

1. Representations, Warranties, Covenants and Agreements. The Company further represents, warrants, covenants, and agrees with the Syndication Agent for the benefit of the Lenders and the Agents as follows:

(a) Ownership of Collateral; Security Interest Priority. At the time any Collateral becomes subject to a security interest of the Syndication Agent hereunder, unless the Syndication Agent shall otherwise consent, the Company shall be deemed to have represented and warranted that (i) the Company is the lawful owner of such Collateral or has the power to transfer the Collateral and has the right and authority to subject the same to the security interest of the Syndication Agent; (ii) other than Liens permitted by the Credit Agreement, none of the Collateral is subject to any Lien other than that in favor of the Syndication Agent and there is no effective financing statement or other filing covering any of the Collateral on file in any public office, other than in favor of the Syndication Agent; and (iii) the Company will warrant and defend for the benefit of the Lenders the title and possession of the Collateral and every part thereof against the claims and demands of all persons. With respect to any (1) Rolling Stock, upon filing of a copy of this Security Agreement with the secretary of the Surface Transportation Board pursuant to Section 11301 of Title 49 of the U.S. Code, (2) vehicles subject to any certificate of title ("Certificated Vehicles"), upon the Syndication Agent's security interest being noted on the certificate of title, and (3) any other Collateral, upon the filing of financing statements in the appropriate offices in the locations listed on Schedule 1(a), this Security Agreement creates in favor of the Syndication Agent a valid first-priority security interest, subject only to Permitted Liens, in the Collateral enforceable against the Company and all third parties and securing the payment of the Secured Obligations. The Company authorizes the Syndication Agent to file financing statements or a copy of this Security Agreement describing the Collateral and if requested will execute and deliver to the Syndication Agent all other documents and take such other actions as may from time to time be requested by the Syndication Agent in order to maintain a first perfected security interest in, and if applicable, control of, the Collateral. The Company further ratifies and consents to the filing of any financing statement or copy of this Security Agreement by the Syndication Agent which may have been filed prior to the date hereof.

(b) Location of Offices and Facilities. The Company is a corporation organized under the laws of the State of Michigan. The Company's place of business (if it has only one) or its chief executive office (if it has more than one place of business) is located in the State of Michigan, County of Genessee at 7255 East Baldwin Road, Grand Blanc, Michigan 48439. The Company will provide the Syndication Agent with prior written notice of any proposed change in the location of its chief executive office. The Company's only other offices and facilities are at the locations set forth in Schedule 1(b) hereto. The Company will provide the Syndication Agent with prior written notice of any change in the locations of its other offices and the facilities at which any assets of the Company are located. The Federal tax identification number of the Company is 38-2343435 and its state organizational number issued by the jurisdiction of its organization is 054639. The name of the Company is FCM Rail, Ltd., which is the exact name as it appears in the Company's organizational documents, as amended, as filed with the Company's jurisdiction of organization, and the Company has not conducted business under any

SECURITY AGREEMENT

other names. The Company shall not change its name or operate under any other names without the prior written consent of the Syndication Agent.

(c) Location of Inventory, Fixtures, Machinery and Equipment. (i) All Collateral consisting of Inventory (other than Rolling Stock) is, and will be, located at the locations listed on Schedule 1(c)(i) hereto, and at no other locations without the prior written consent of the Syndication Agent. (ii) All Collateral consisting of Fixtures is, and will be, located at the locations listed on Schedule 1(c)(ii) hereto, and at no other locations without the prior written consent of the Syndication Agent. If the Collateral described in clauses (i) or (ii) is kept at leased locations or warehoused or otherwise stored, the Company has obtained appropriate landlord's lien waivers or appropriate warehousemen's or bailee's notices have been sent, each satisfactory to the Syndication Agent, unless waived by the Syndication Agent. All Certificated Vehicles are described in Schedule 1(c)(ii). With respect to Certificated Vehicles, if requested by the Syndication Agent, the Company agrees that it will execute and deliver to the Syndication Agent all documents requested by the Syndication Agent to note the security interest created hereby on the vehicle title certificates, and will promptly notify the Syndication Agent of the acquisition of any Certificated Vehicles after the date hereof. None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for the Rolling Stock, patents, trademarks and copyrights held by the Company.

(d) Liens, Etc. The Company will keep the Collateral free at all times from any and all liens, security interests or encumbrances other than Liens permitted by the Credit Agreement and those consented to in writing by the Required Lenders. The Company will not, without the prior written consent of the Syndication Agent, sell, lease, license, transfer, assign or otherwise dispose, or permit or suffer to be sold, leased, licensed, transferred, assigned or otherwise disposed, any of the Collateral, except for, prior to an event of default only (notwithstanding any other agreement), the following: Inventory sold in the ordinary course of business and other assets permitted to be sold, leased, licensed, transferred, assigned or otherwise disposed under Section 5.2 of the Credit Agreement. The Syndication Agent or its attorneys may at any and all reasonable times inspect the Collateral and for such purpose may enter upon any and all premises, upon reasonable prior written notice if a Default or Event of Default has not occurred and is continuing, where the Collateral is or might be kept or located.

(e) Insurance. The Company shall keep the tangible Collateral insured at all times against loss by theft, fire and other casualties. Said insurance shall be issued by a company rated A or better by Best and shall be in amounts sufficient to protect The Huntington National Bank, as Syndication Agent, against any and all loss or damage to the Collateral. Any general liability policy or policies shall be endorsed in favor of The Huntington National Bank, as Syndication Agent, as an additional insured. The policy or policies which evidence said insurance shall be delivered to The Huntington National Bank, as Syndication Agent, upon request, shall contain lender loss payable clauses in favor of The Huntington National Bank, as Syndication Agent, shall name The Huntington National Bank, as Syndication Agent, for the benefit of the Lenders as an additional insured, as its interest may appear, shall not permit amendment, cancellation or termination without giving The Huntington National Bank, as Syndication Agent, at least 30 days prior written notice thereof, and shall otherwise be in form and substance satisfactory to the Syndication Agent. Reimbursement under any liability insurance maintained by the Company pursuant to this paragraph 1(e) may be paid directly to the person who shall have incurred liability covered by such insurance, provided that:

(i) if there is any Default or Event of Default (whether before or after any event which caused any reimbursement under any liability insurance) such reimbursement shall be paid to the Syndication Agent for application to the Secured Obligations.

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(ii) if there is no Default or Event of Default (whether before or after any event which caused any reimbursement under any liability insurance) and such reimbursement is less than \$250,000, the Company may use the proceeds of such insurance solely to repair or replace the property damaged, provided that if such repair or replacement cannot be accomplished within 180 days after such reimbursement amount is received or if the reimbursement amount is greater than \$250,000, the proceeds of such insurance shall be paid to the Syndication Agent for application to the Secured Obligations; and, provided, further, upon the request of the Syndication Agent, such insurance proceeds that are allowed to be used to repair or replace hereunder may be held by the Syndication Agent in a cash collateral account.

(f) Taxes, Etc. The Company will pay promptly, and within the time that they can be paid without interest or penalty, any taxes, assessments and similar imposts and charges, not being contested in good faith, which are now or hereafter may become a Lien upon any of the Collateral. If the Company fails to pay any such taxes, assessments or other imposts or charges in accordance with this Section, the Syndication Agent shall have the option to do so and the Company agrees to repay forthwith all amounts so expended by the Syndication Agent with interest at the rate(s) set forth in the Credit Agreement.

(g) Further Assurances. The Company will do all acts and things and will execute all financing statements, supplemental security agreements and writings reasonably requested by the Syndication Agent to establish, maintain and continue a perfected and valid security interest of the Syndication Agent in the Collateral, and will promptly on demand pay all reasonable costs and expenses of filing and recording all instruments, including the costs of any searches deemed necessary by the Syndication Agent, to establish and determine the validity and the priority of the Syndication Agent's security interests. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral shall be sufficient as a financing statement if the Company does not promptly execute a financing statement upon request of the Syndication Agent.

(h) List of Rolling Stock. Attached hereto as Schedule 1(h) is a list of all Rolling Stock owned or leased by the Company. All Rolling Stock and Equipment, other than Non-Recourse Equipment, owned by the Company will be located in the United States at all times. The Company agrees not to change any markings or serial numbers on any of the Rolling Stock listed on Schedule 1(h) without prior written consent of the Syndication Agent. The Company agrees that it promptly notify the Syndication Agent and will execute and deliver to the Syndication Agent supplemental security agreements in the form of the Supplemental Security Agreement attached hereto as Exhibit A and other instruments as required in Section 1(g) herein (i) at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock set forth on Schedule 1(h) hereto and (ii) at such times as any Rolling Stock is acquired after the date hereof. All such supplemental security agreements and other instruments shall secure all of the Secured Obligations and shall be on terms and conditions satisfactory to the Syndication Agent.

(i) List of Patents, Copyrights, Mask Works and Trademarks. Attached hereto as Schedule 1(i)(i) is a list of all patents and patent applications owned by the Company. Attached hereto as Schedule 1(i)(ii) is a list of all registered copyrights and all mask works and applications therefor owned by the Company. Attached hereto as Schedule 1(i)(iii) is a list of all trademarks and service marks owned by the Company. If the Company at any time owns any additional patents, copyrights, mask works, trademarks or any applications therefor not listed on such schedules, the Company shall give the Syndication Agent prompt written notice thereof and hereby authorizes the Syndication Agent to modify this Agreement by amending Schedules 1(i)(i), 1(i)(ii) and 1(i)(iii) to include all future patents, copyrights, mask works, trademarks and applications therefor and agrees to execute all further

SECURITY AGREEMENT

instruments and agreements, if any, if requested by the Syndication Agent to evidence the Syndication Agent's interest therein.

(j) Maintenance of Tangible Collateral. The Company will cause the tangible Collateral material to the conduct of its business to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with any manufacturer's manual, and shall forthwith, or, in the case of any loss or damage to any of the tangible Collateral as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements which are necessary or desirable to such end. The Company shall promptly furnish to the Syndication Agent a statement respecting any loss or damage to any of the tangible Collateral.

(k) Special Rights Regarding Accounts. The Syndication Agent or any of its agents may, at any time and from time to time in its sole discretion and irrespective of the existence of any event of default under this Security Agreement, verify, directly with each person (collectively, the "Obligors") which owes any Accounts, Documents, Instruments, Investment Property, General Intangibles or Chattel Paper or other Collateral (all of the foregoing, collectively, "Receivables") to the Company, the Receivables in any reasonable manner. The Syndication Agent or any of its agents may, at any time from time to time after and during the continuance of an event of default under this Security Agreement, notify the Obligors of the security interest of the Syndication Agent in the Collateral and/or direct such Obligors that all payments in connection with such obligations and the Collateral be made directly to the Syndication Agent in the Syndication Agent's name. If the Syndication Agent or any of its agents shall collect such obligations directly from the Obligors, the Syndication Agent or any of its agents shall have the right to resolve any disputes relating to returned goods directly with the Obligors in such manner and on such terms as the Syndication Agent or any of its agents shall deem appropriate. The Company directs and authorizes any and all of its present and future Obligors to comply with requests for information from the Syndication Agent, the Syndication Agent's designees and agents and/or auditors, relating to any and all business transactions between the Company and the Obligors. The Company further directs and authorizes all of its Obligors upon receiving a notice or request sent by the Syndication Agent or the Syndication Agent's agents or designees to pay directly to the Syndication Agent any and all sums of money or proceeds now or hereafter owing by the Obligors to the Company, and any such payment shall act as a discharge of any debt of such Obligor to the Company in the same manner as if such payment had been made directly to the Company. The Company agrees to take any and all action as the Syndication Agent may reasonably request to assist the Syndication Agent in exercising the rights described in this Section.

(l) Maintenance of Intellectual Property and Other Intangible Collateral. The Company shall preserve and maintain all rights of the Company and the Syndication Agent in all material Intellectual Property and all other material intangible Collateral, including without limitation the payment of all maintenance fees, filing fees and the taking of all appropriate action at the Company's expense to halt the infringement of any of the Intellectual Property or other Collateral, provided that, with respect to halting the infringement of any Intellectual Property or other Collateral, the Company does not need to take all such appropriate action if the Company has, or after an event of default the Required Lenders have, reasonably determined that it is not in its best interest to demand or enforce cessation of such infringement or other conduct because it is either not material or because the adverse consequences to the Company would outweigh the benefits gained by such demand or enforcement.

(m) Deposit Accounts. The Company will (i) upon the Syndication Agent's request, cause each bank or other financial institution in which it maintains (a) a Deposit Account to enter into a control agreement with the Syndication Agent, in form and substance satisfactory to the Syndication

SECURITY AGREEMENT

Agent in order to give the Syndication Agent Control of the Deposit Account or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Syndication Agent hereunder and cause each such bank or other financial institution to acknowledge such notification in writing and (ii) upon the Syndication Agent's request after the occurrence and during the continuance of an event of default, deliver to each such bank or other financial institution a letter, in form and substance acceptable to the Syndication Agent, transferring ownership of the Deposit Account to the Syndication Agent or transferring dominion and control over each such other deposit to the Syndication Agent until such time as no event of default exists. In the case of deposits maintained with Lenders, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

(n) Letter-of-Credit Rights. The Company will upon the Syndication Agent's request, cause each issuer of a letter of credit to consent to the assignment of proceeds of the letter of credit or otherwise give the Syndication Agent control of the related letter-of-credit right.

(o) Leases. With respect to all leases under which the Company is the lessor, including without limitation all schedules to master leases (all such existing and future leases, the "Leases"), the Company represents that, with respect to all existing Leases, it has or will within 10 days of the date hereof and, with respect to all Leases entered into after the date hereof, it will promptly upon the creation of any such Lease, mark all originals and copies thereof as being subject to the first priority security interest of the Syndication Agent and otherwise be marked in form and substance satisfactory to the Syndication Agent. Upon the request to the Syndication Agent, the Company will deliver to the Syndication Agent all executed original counterparts of each Lease. The Company has and will have good title to the equipment and all other assets leased under the Leases, free and clear of all Liens other than Liens permitted by the Credit Agreement, and has filed and will file financing statements in all appropriate locations naming the Company as the secured party and lessor and the lessee under each Lease as the debtor and lessee. All Leases are and will be valid, binding and enforceable under all applicable laws and regulations, all underlying equipment under each existing Lease has been or, with respect to Leases executed after the date hereof, will be, delivered, installed and unconditionally accepted by the lessee. None of the Leases constitute electronic chattel paper as defined in the Uniform Commercial Code, and if any of the Leases at any time constitute electronic chattel paper the Company will promptly notify the Syndication Agent and will take all further steps and execute all further documents required by the Syndication Agent to grant the Syndication Agent control over such electronic chattel paper pursuant to Section 9-105 of the Uniform Commercial Code.

2. Events of Default. The occurrence of any Event of Default under the Credit Agreement shall be deemed an event of default under this Security Agreement.

3. Remedies. Upon the occurrence of any event of default specified in Paragraph 2 hereof, the Syndication Agent shall have and may exercise any one or more of the rights and remedies provided to it under this Security Agreement or any of the other Operative Documents or provided by law, including but not limited to all of the rights and remedies of a secured party under the Michigan Uniform Commercial Code, and the Company hereby agrees to assemble the Collateral and make it available to the Syndication Agent at a place to be designated by the Syndication Agent which is reasonably convenient to both parties, authorizes the Syndication Agent to take possession of the Collateral with or without demand and in accordance with applicable law and to sell and dispose of the same at public or private sale and to apply the proceeds of such sale to the costs and expenses thereof (including reasonable attorneys' fees and disbursements, incurred by the Syndication Agent) and then to the payment and satisfaction of the Secured Obligations. Any requirement of reasonable notice shall be met if the Syndication Agent sends such notice to the Company, by registered or certified mail, at least 5 days

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prior to the date of sale, disposition or other event giving rise to a required notice. The Syndication Agent or any Lender may be the purchaser at any such sale. The Company expressly authorizes such sale or sales of the Collateral in advance of and to the exclusion of any sale or sales of or other realization upon any other collateral securing the Secured Obligations. The Syndication Agent shall have no obligation to preserve rights against prior parties, and the Syndication Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Company hereby waives as to the Syndication Agent and each Lender any right of subrogation or marshaling of such Collateral and any other collateral for the Secured Obligations. To this end, the Company hereby expressly agrees that any such collateral or other security of the Company or any other party which the Syndication Agent may hold, or which may come to any of the Lenders or any of their possession, may be dealt with in all respects and particulars as though this Security Agreement were not in existence. The parties hereto further agree that public sale of the Collateral by auction conducted in any county in which any Collateral is located or in which the Syndication Agent or the Company does business after advertisement of the time and place thereof shall, among other manners of public and private sale, be deemed to be a commercially reasonable disposition of the Collateral. The Company shall be liable for any deficiency remaining after disposition of the Collateral. The Syndication Agent, on behalf of the Lenders, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. The Syndication Agent may specifically disclaim any warranties of title or the like. If the Syndication Agent sells any of the Collateral upon credit, the Company will be credited only with payments actually made by the purchaser, received by the Syndication Agent and applied to the indebtedness of such purchaser. In the event any such purchaser fails to pay for the Collateral, the Syndication Agent may resell the collateral and the Company shall be credited with the proceeds of sale.

4. Special Remedies Concerning Certain Collateral.

(a) Upon the occurrence of any event of default, the Company shall, if requested to do so in writing, and to the extent so requested (i) promptly collect and enforce payment of all amounts due the Company on account of, in payment of, or in connection with, any of the Collateral, (ii) hold all payments in the form received by the Company as trustee for the Syndication Agent, without commingling with any funds belonging to the Company, and (iii) forthwith deliver all such payments to the Syndication Agent with endorsement to the Syndication Agent's order of any checks or similar instruments.

(b) Upon the occurrence of any event of default, the Company shall, if requested to do so, and to the extent so requested, notify all Obligors and other persons with obligations to the Company on account of or in connection with any of the Collateral of the security interest of the Syndication Agent or the Lenders in the Collateral and direct such account debtors and other persons that all payments in connection with such obligations and the Collateral be made directly to the Syndication Agent. The Syndication Agent itself may, upon the occurrence of an event of default, so notify and direct any such account debtor or other person that such payments are to be made directly to the Syndication Agent.

(c) Upon the maturity (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the occurrence of an event of default and the exercise of rights and remedies under this Security Agreement by the Syndication Agent, for purposes of assisting the Syndication Agent in exercising its rights and remedies provided to it under this Security Agreement, the Company (i) hereby irrevocably constitutes and appoints the Syndication Agent its true and lawful attorney, for and in the Company's name, place and stead, to collect, demand, receive, sue for, compromise, and give good and sufficient releases for, any monies due or to become due on account of, in payment of, or in

SECURITY AGREEMENT

connection with the Collateral, (ii) hereby irrevocably authorizes the Syndication Agent to endorse the name of the Company, upon any checks, drafts, or similar items which are received in payment of, or in connection with, any of the Collateral, and to do all things necessary in order to reduce the same to money, (iii) with respect to any Collateral, hereby irrevocably assents to all extensions or postponements of the time of payment thereof or any other indulgence in connection therewith, to each substitution, exchange or release of Collateral, to the addition or release of any party primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromise or adjustment (including adjustment of insurance payments) thereof, all in such manner and at such time or times as the Syndication Agent shall deem advisable and (iv) hereby irrevocably authorizes the Syndication Agent to notify the post office authorities to change the address for delivery of the Company's mail to an address designated by the Syndication Agent, and the Syndication Agent may receive, open and dispose of all mail addressed to the Company. Notwithstanding any other provisions of this Security Agreement, it is expressly understood and agreed that the Syndication Agent shall have no duty, and shall not be obligated in any manner, to make any demand or to make any inquiry as to the nature or sufficiency of any payments received by it or to present or file any claim or take any other action to collect or enforce the payment of any amounts due or to become due on account of or in connection with any of the Collateral.

5. Remedies Cumulative. No right or remedy conferred upon or reserved to the Syndication Agent under any Operative Document is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative in addition to every other right or remedy given hereunder or now or hereafter existing under any applicable law. Every right and remedy of the Syndication Agent under any Operative Document or under applicable law may be exercised from time to time and as often as may be deemed expedient by the Syndication Agent. To the extent that it lawfully may, the Company agrees that it will not at any time insist upon, plead, or in any manner whatever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law, which may affect observance or performance of any provisions of any Operative Document; nor will it claim, take or insist upon any benefit or advantage of any present or future law providing for the valuation or appraisal of any security for its obligations under any Operative Document prior to any sale or sales thereof which may be made under or by virtue of any instrument governing the same; nor will the Company, after any such sale or sales, claim or exercise any right, under any applicable law to redeem any portion of such security so sold.

6. Conduct No Waiver. No waiver of default shall be effective unless in writing executed by the Syndication Agent and waiver of any default or forbearance on the part of the Syndication Agent in enforcing any of its rights under this Security Agreement shall not operate as a waiver of any other default or of the same default on a future occasion or of such right.

7. Governing Law; Consent to Jurisdiction. This Security Agreement is a contract made under, and shall be governed by and construed in accordance with, the law of the State of Michigan applicable to contracts made and to be performed entirely within such State and without giving effect to choice of law principles of such State. The Company agrees that any legal action or proceeding with respect to this Security Agreement or the transactions contemplated hereby may be brought in any court of the State of Michigan, or in any court of the United States of America sitting in Michigan, and the Company hereby submits to and accepts generally and unconditionally the jurisdiction of those courts with respect to its person and property, and irrevocably appoints Dennis J. Gilstad, at the Company's address set forth in the Credit Agreement, as its agent for service of process and irrevocably consents to the service of process in connection with any such action or proceeding by personal delivery to such agent or to the Company or by the mailing thereof by registered or certified mail, postage prepaid to the Company at its address set forth in the Credit Agreement. Nothing in this paragraph shall affect the right

SECURITY AGREEMENT

of the Syndication Agent to serve process in any other manner permitted by law or limit the right of the Syndication Agent to bring any such action or proceeding against the Company or its property in the courts of any other jurisdiction. The Company hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts. The headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify any of the terms or provisions hereof.

8. Notices. All notices, demands, requests, consents and other communications hereunder shall be delivered in the manner described in the Credit Agreement.

9. Rights Not Construed as Duties. The Syndication Agent neither assumes nor shall it have any duty of performance or other responsibility under any contracts in which the Syndication Agent has or obtains a security interest hereunder. If the Company fails to perform any agreement contained herein, the Syndication Agent may but is in no way obligated to itself perform, or cause performance of, such agreement, and the reasonable expenses of the Syndication Agent incurred in connection therewith shall be payable by the Company under paragraph 13. The powers conferred on the Syndication Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and accounting for monies actually received by it hereunder, the Syndication Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

10. Amendments. None of the terms and provisions of this Security Agreement may be modified or amended in any way except by an instrument in writing executed by each of the parties hereto.

11. Subsequently Acquired Rolling Stock. Whenever reference is made herein to the Rolling Stock, with respect to Rolling Stock subsequently acquired by the Company and described on Supplemental Security Agreements appended to Schedule 1(h) attached hereto, the terms of this Security Agreement shall be interpreted to apply to all such Rolling Stock only from and after the date the Company acquires ownership of such Rolling Stock.

12. Severability. If any one or more provisions of this Security Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected, impaired or prejudiced thereby.

13. Expenses. (a) The Company agrees to indemnify the Syndication Agent from and against any and all claims, losses and liabilities growing out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from the Syndication Agent's gross negligence or willful misconduct.

(b) The Company will, upon demand, pay to the Syndication Agent an amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Syndication Agent may incur in connection with (i) the administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Syndication Agent hereunder or under the Operative Documents, or (iv) the failure of the Company to perform or observe any of the provisions hereof.

SECURITY AGREEMENT

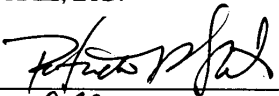
14. Successors and Assigns; Termination. This Security Agreement shall create a continuing security interest in the Collateral and shall be binding upon the Company, its successors and assigns (including all persons who become bound as a debtor to this Security Agreement), and inure, together with the rights and remedies of the Syndication Agent hereunder, to the benefit of the Syndication Agent and its successors, transferees and assigns. Upon the payment in full in immediately available funds of all of the Secured Obligations and the termination of all commitments to lend and letters of credit outstanding under the Operative Documents, the security interest granted hereunder shall terminate and all rights to the Collateral shall revert to the Company.

15. Waiver of Jury Trial. The Syndication Agent and the Lenders, in accepting this Security Agreement, and the Company, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right any of them may have to a trial by jury in any litigation based upon or arising out of this Security Agreement or any related instrument or agreement or any of the transactions contemplated by this Security Agreement or any course of conduct, dealing, statements (whether oral or written) or actions of any of them. Neither the Syndication Agent, the Lenders nor the Company shall seek to consolidate, by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Syndication Agent, the Lenders or the Company except by a written instrument executed by all of them.

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IN WITNESS WHEREOF, the Company has caused this Security Agreement to be duly executed as of the day and year first set forth above.

FCM RAIL, LTD.

By: 
Title: CFO

Accepted and Agreed:

THE HUNTINGTON NATIONAL BANK, as Syndication Agent and
on behalf of the Lenders

By: _____
Title: _____

SECURITY AGREEMENT

IN WITNESS WHEREOF, the Company has caused this Security Agreement to be duly executed as of the day and year first set forth above.

FCM RAIL, LTD.

By: _____
Title: _____

Accepted and Agreed:

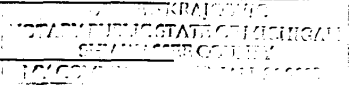
THE HUNTINGTON NATIONAL BANK, as Syndication Agent and
on behalf of the Lenders

By: Paul W. Almond
Title: SVP

SECURITY AGREEMENT

On this 10TH day of March, 2003 before me personally appeared Patrick A. Skiles, to me personally known, who being by me duly sworn, says that he is the CEO of FCM Rail, Ltd., a Michigan corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane S. Krajovic
Signature of Notary Public
My commission expires 12/31/2004



On this ____ day of March, 2003 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of The Huntington National Bank, a national banking association, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Signature of Notary Public
My commission expires _____

SECURITY AGREEMENT

On this ____ day of March, 2003 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of FCM Rail, Ltd., a Michigan corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Signature of Notary Public
My commission expires _____

On this 10th day of March, 2003 before me personally appeared Paul Nemchik, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of The Huntington National Bank, a national banking association, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Fila Kaljaj

Signature of Notary Public
My commission expires _____

FILA KALJAJ
NOTARY PUBLIC MACOMB CO. MI
MY COMMISSION EXPIRES Sep 3, 2003

SECURITY AGREEMENT

SCHEDULE 1(a) TO SECURITY AGREEMENT

Locations Where Financing Statements Are to Be Filed

1. Michigan Secretary of State
2. Polk County, North Carolina

SECURITY AGREEMENT

SCHEDULE 1(b) TO SECURITY AGREEMENT

List of Other Office and Facility Locations

<u>Type of Office or Facility</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>
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NONE

SECURITY AGREEMENT

SCHEDULE 1(c)(i) TO SECURITY AGREEMENT

List of Inventory Locations

<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>	If Leased or Warehouse, Name and Address of <u>Lessor/Warehouseman</u>
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SECURITY AGREEMENT

SCHEDULE (1)(c)(ii) TO SECURITY
AGREEMENT

List of Fixture Locations and Vehicles Covered by Certificates of Title

A. List of Fixture Locations

<u>Address</u>	<u>City</u>	<u>County</u> <u>State</u>	Legal Description, Record Owner and Tax Parcel No. (if fixtures are at <u>this location</u>)
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B. Vehicles subject to certificates of title:

<u>Description</u>	<u>Title Number & State Where Issued</u>
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SECURITY AGREEMENT

SCHEDULE 1(h) TO SECURITY AGREEMENT

Rolling Stock

SEE ATTACHED

SECURITY AGREEMENT

Item #	Lessee	Schedule	Year	Equipment Description	Serial Number
557	Alaska Railroad Company	A-28	2001	Trinity Depressed Center Flatcar	5575
660	Alaska Railroad Company	A-31	2002	Progressive 12-12 Tie Handler	12-1064-02
661	Alaska Railroad Company	A-32	2002	Progressive 12-12 Tie Handler	12-1065-02
639	Alaska Railroad Company	A-27	2002	Progressive 12-12 Tie Handler	12-1061-02
646/685	Alaska Railroad Company	A-30	2002	Geismar 360 Crane	4540
657	Alaska Railroad Company	A-28	2002	Model 99C Spiker	410354
653	Alaska Railroad Company	A-29	2002	Jackson 6700 Tamper	153132
1553	716 Alaska Railroad Company	1553	2002	Kribber Adzer	38-169-02
1519	660 Amtrak National RR Pass Cor	A-1	2002	Ford F550 w/ service body and Crane	1FDA56X2ED23517
1520	705 Amtrak National RR Pass Cor	A-2	2002	Ford F550 w/ service body and Crane	1FDAF56F32ED23536
1549	634 Amtrak National RR Pass Cor	A-1549	2002	6700 Tamper	153131
1530	Amtrak National RR Pass Cor	A-3	2002	Ford F550 w/ Crane, High Rail	1FVABTCSS3DL07422
1550	713 Amtrak National RR Pass Cor	A-1550	2003	Ford 350 Truck	
1551	714 Amtrak National RR Pass Cor	A-1551	2003	Ford 350 Truck	
1492-1501	594 / Burlington Northern Santa Fe	22718-20,22727-4	2002	Snow Jets (10)	GW 008/12, 016/20
1502-1509	705 Burlington Northern Santa Fe	4,22729,22733-4	2002	Snow Jets (8)	GW 021 to 030
1532-1533	705 Burlington Northern Santa Fe		2002	Snow Jets (2)	-
1257	302 Burlington Northern Santa Fe	A-17	1995	Pettibone Speed Swing - 1995	3079
1258	460 Burlington Northern Santa Fe	A-18	1996	Jackson 6700 Tamper - 1996	152720
1095	300 Burlington Northern Santa Fe	A-8	1995	Universal PTU Plasser Double Broom	1894, 3030, 3015
170	414 Burlington Northern Santa Fe	BF13831A	2000	HTT TR-10 Tie Ext/Inst - 2000	559244
1487	656 Burlington Northern Santa Fe	BF21395	2002	6700 Design Lift Tamper	153197
1488	666 Burlington Northern Santa Fe	BF21395	2002	6700 Design Lift Tamper	153198
1510	694 BNSF/Modern Track	BF22713	2002	Geismar 360 Crane	4535
1165	330 CN / IC	A-4	2000	Nordco Ride On Tie Adzer - Used	250197
504	404 HTT / KCS		2000	RMC305B2-31 Tie Insertor - 2000	257486
502	402 HTT / KCS		2000	W96F1-28 Spiker - 2000	257418
503	416/403 HTT / KCS		2000	W96F1-31 Spiker - 2000	257453
472	N/A Ameritrac	A-1	2000	Jackson 2400 Tamper - 2000	153065
1447	409/521/55 Aberdeen, Carolina & Western	A-1	1993	Jackson 6700 Tamper - 1993	139242
171	N/A C & G Surfacing	A-1	1999	HTT Mark IV Tamper - 1999	7191769
1202	N/A C & G Surfacing	A-2	2002	HTT Mark IV Tamper - 2002	7102072
1544	593 Pointer Smith	A-1544	2002	Jackson 2400 Tamper w/ tilt trailer	153156
489	RELAM	17808	2001	6700 Tamper	153046
1119	519 Elgin, Joliet and Eastern	A-4	2001	Nordco LS-12 Spike Puller	330613
1120	397 Elgin, Joliet and Eastern	A-3	1999	Fairmont RTW200/B Tie Handler	257427
1120	398 Elgin, Joliet and Eastern	A-3	1999	Fairmont RTW200/B Tie Handler	257424
365	W. A. Smith Construction Co.	A-1	1999	Jackson 2400 Tamper - 1999	153026
360	W. A. Smith Construction Co.	A-2	1999	Pettibone Speed Swing 445 - 1999	3155

Item #	Lessee	Schedule	Year	Equipment Description	Serial Number	
	N/A	Williamette Valley Railroad	A-1	1998	Jackson 2400 Tamper - 1998	153025
177	337	Hudson Bay Railroad	A-2	2000	Kershaw 46-2 Regulator - 1998	46-417-98
1209	413	Iowa Traction	N/A	2000	Jackson 925 Tie Inst/Ext	153094
1490	687	Iowa Traction	A-2	1990	Jackson 6700 Tamper	148419
1234	479	Marta Track (was Knox)	A-4	2001	Guzzler Cyclone Raise 18 in. XCR4816TC Vacuum Truck	1HTGLATT81H39917
1491		Progress Rail / Long Island RR	A1	2002	Scorpion Ramp Car R364DL (TX0)	RS64DL-120-02
Nordco	633	OminiTRAX		2002	Nordco M2 Ballast Regulator	800124
	641/642	Long Island RR		2002	M-3 Screw Spiker	450204-450205
1405	146/523/42	M.L.P. Rail, Inc.	A-2	1993	Jackson 6700	139243
188	311	M.L.P. Rail, Inc.	A-1	1997	Jackson 925 Tie Ext/Inst - 1997	152875
196	N/A	NorthStar	A-1	2001	Miscellaneous - See Schedule	Various
1543		Rail America Inc.		2002	Nordco M2 Ballast Regulator	800134
197	306/307	Racine Railroad Products	A-1		A-1/A-2 Equipment Buyout	
199	N/A	Railroad Specialties	A-1	2001	Jackson 900 Tamper	153101
1545	FL	Railroad Repair & Maintenance	A-1545	2003	Jackson 925 Tie Ext/Inst - 2003	153181
223	407	The Oil Well Supply Co.	A-1	1999	Nordco Pyke M-2 Regulator - 1999	9914
		The Oil Well Supply Co.	A-1535	2003	Nordco M2 Ballast Regulator	800128
224	530	Total Track	A-1	2001	Kershaw 47-5 Tie Replacer	47-116-00
218	437	Railworks	A-6	2000	Jackson 2400 Tamper	15303
221	551	Railworks	A-10	1990	Komatsu Model WA450-2 Wheel Loader	25068
	445	Railworks	A-7	2000	KKI KBR-850 Regulator - 2000	850-034-00
228	555	Railworks - Annex	A-11	2001	KKI KBR 850 Ballast Regulator	038-850-01
220	554	Railworks - Annex	A-8	2001	KKI KBR 850 Ballast Regulator	047-850-01
689	352	Railworks - Annex	A-1	1999	Nordco Model C Spiker - 1999	410235
693	432	Railworks - Annex	A-2	2000	Jackson 2400 Tamper - 2000	153093
209	433	Railworks - Annex	A-3	2000	Jackson 900 Tamper - 2000	152999
208	394	RailWorks - Condon Brothers	A-1	2000	Jackson 2400 Tamper - 2000	153087
1540	715	Railworks Corp	1540	2003	Nordco LS-2 Grabber	330627
1541	716	Railworks Corp Track Services				
214	458	Railworks Corp	A-1	2001	HTT Mark IV Tamper	7102011
215	458	Railworks Corp	A-2	2001	Jackson 6700 Tamper	153044
216	346	Railworks Corp	A-4	1993	Jackson 6700 Tamper	146821
217	305	Railworks Corp	A-5	1984	Jackson 6700 Tamper-Reman 2000	139386
1390		Railworks Corp	A-17	2002	Kershaw 46-2 Ballast Regulator	46-475-02

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	Item #	Lessee	Schedule	Year	Equipment Description	Serial Number
1389	592	Railworks Corp	A-18	2002	Kershaw 46-2 Ballast Regulator	46-476-02
	405	Railworks Corp	A-19	2000	Fairmont TR-10 Tie Exchanger	5592430
1265	693	Railworks Corp	A-20	2002	HTT 6300 Tamper	153023
191	333	RailWorks - Merit RR	A-2	1999	Nordco Model C Spiker - 1999	410203
378	399	RailWorks - Merit RR	A-3	1999	Jackson 900 Tamper - 1999	152753
194	314	RailWorks - Midwest Const.	A-3	1998	Jackson 900 Tamper - 1998	152896
195	395	RailWorks - Midwest Const.	A-4	2000	Jackson 2400 Tamper - 2000	153086
210	366	RailWorks - New England	A-1	1999	Jackson 950 Tie Crane - 1999	152949
211	382	RailWorks - New England	A-2	1999	Nordco Model C Spiker - 1999	410240
212	396	RailWorks - New England	A-3	2000	Jackson 2400 Tamper - 2000	152965
200	346	RailWorks - Railroad Service	A-2	1999	Jackson 6700 Tamper - 1993	146822
201	350	RailWorks - Railroad Service	A-3	1999	Jackson 2400 Tamper - 1999	153024
203	362	RailWorks - Railroad Service	A-4	1999	Jackson 950 Tie Crane - 1999	152947
204	364	RailWorks - Railroad Service	A-5	1999	HTT TR-10 Tie Ext/Inst - 1999	5592399
225	374	RailWorks - U.S. Trackworks	A-1	1999	Jackson 925 Tie Ext/Inst - 1999	153048
1547	701	Railworks - Woodwaste	A-1547	2002	Prentice Loader ATL 625	56903
373		Railworks - Woodwaste	A-14	2001	(2) Model 8000 Log Loader w/ 25' boom	
368	565	Railworks - Woodwaste	A-15	2002	Sterling Specpro LT9513 w/Hood Loader	2FZHAZA852AF62144
369	566	Railworks - Woodwaste	A-15	2002	Sterling Specpro LT9513 w/Hood Loader	2FZHAZA802AF62146
213	464	Railworks - Woodwaste	A-3	2001	Miscellaneous - See Schedule	
329		Railworks - Woodwaste	A-9	2001	Hood S-182 Electric Loader with Bypass	5696
1428	429/645	Union Pacific Railroad	Nordco	2000	Nordco Model C Spiker	279
500	412	HTT / UP	16839	2000	W133A-27 Profile Grinder - 2000	257508
501	415	HTT / UP	17015	2000	W133A-27 Profile Grinder - 2000	257517
1256	638	Union Pacific	23804	2002	Geismar 360 Crane	4525
		Union Pacific	24484	2002	Geismar 360 Crane	4527
	667	Union Pacific	23832	2002	Geismar 360 Crane	4539
376		Union Pacific - Tie Gang #1	20578		Total UP/HTT	
	547	Union Pacific - Tie Gang #1	20578	2001	Nordco G2 Ballast Regulator	810157
	548	Union Pacific - Tie Gang #1	20578	2001	Nordco G2 Ballast Regulator	810157
	546	Union Pacific - Tie Gang #1	20578	2001	Nordco Ground Hog Ballast Regulator	810124
	497	Union Pacific - Tie Gang #1	20578	2001	Anchor Spreader W140A1-26	257567
	508	Union Pacific - Tie Gang #1	20578	2001	Anchor Squeezer	6300581
	502	Union Pacific - Tie Gang #1	20578	2001	Jackson 3300S Tamper	153008
	503	Union Pacific - Tie Gang #1	20578	2001	Jackson 3300S Tamper	153022
	490	Union Pacific - Tie Gang #1	20578	2001	Jackson 6700 Tamper	152978
	509	Union Pacific - Tie Gang #1	20578	2001	Quality Control Cart	257592
	498	Union Pacific - Tie Gang #1	20578	2001	RMC305 Standard TKO	257522
	499	Union Pacific - Tie Gang #1	20578	2001	RMC305 Standard TKO	257535
	501	Union Pacific - Tie Gang #1	20578	2001	RMC310 Tie Plate Broom	257415
	491	Union Pacific - Tie Gang #1	20578	2001	RTW 200 B Tie Handler	257602
	492	Union Pacific - Tie Gang #1	20578	2001	RTW 200 B Tie Handler	257603
	493	Union Pacific - Tie Gang #1	20578	2001	RTW 200 B Tie Handler	257604
	494	Union Pacific - Tie Gang #1	20578	2001	RTW 200 B Tie Handler	257605
	495	Union Pacific - Tie Gang #1	20578	2001	RTW 200 B Tie Handler w/ Magnet	257606
	496	Union Pacific - Tie Gang #1	20578	2001	Super TKO Tie Remover	257579
	513	Union Pacific - Tie Gang #1	20578	2001	Tie Cart	1
	514	Union Pacific - Tie Gang #1	20578	2001	Tie Cart	2
	515	Union Pacific - Tie Gang #1	20578	2001	Tie Cart	3

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Item #	Lessee	Schedule	Year	Equipment Description	Serial Number
487	Union Pacific - Tie Gang #1	20578	2001	Track Push Cart	1
488	Union Pacific - Tie Gang #1	20578	2001	Track Push Cart	2
489	Union Pacific - Tie Gang #1	20578	2001	Track Push Cart	3
512	Union Pacific - Tie Gang #1	20578	2001	Track Stabilizer - TS30	6100801
485	Union Pacific - Tie Gang #1	20578	2001	W113 Spike Puller	257597
486	Union Pacific - Tie Gang #1	20578	2001	W113 Spike Puller	257598
516	Union Pacific - Tie Gang #1	20578	2001	W134A Spike Puller	257582
500	Union Pacific - Tie Gang #1	20578	2001	W87F Tie Bed Scanner	257593
504	Union Pacific - Tie Gang #1	20578	2001	W96F Sinker Spiker	257588
505	Union Pacific - Tie Gang #1	20578	2001	W96F Sinker Spiker	257589
506	Union Pacific - Tie Gang #1	20578	2001	W96F Sinker Spiker	257590
507	Union Pacific - Tie Gang #1	20578	2001	W96F Sinker Spiker	257591
1190	Union Pacific Railroad	059, 21784, 2439	1998	Jackson 6700 Tamper - 1998	152786
1151	Union Pacific Railroad	9085	1998	Crawler Tractor Skid Loader - 1998	HD0510-OPWTD
1199	Union Pacific Railroad	11219/21277	1998	Cat IT-286 Wheel Loader - 1998	8CR01124
1253	Union Pacific Railroad	14242	2000	(2) MJ 18H-6 Sky Packer - 2000	101163, 101094
354	Union Pacific Railroad	15436	1999	Ditch Witch Boring Machine - 1999	2R1163
231	Union Pacific Railroad	16695	2000	Soil Vac Boring system - 2000	9909-302
1191	Union Pacific Railroad	16768	1998	Jackson 6700 Tamper - 1998	152797
1104	Union Pacific Railroad	16827/23638	2000	HTT Mark IV Tamper - 2000	45855779
1102	Union Pacific Railroad	16828/21190	1998	Jackson 6700 Tamper - 1998	152957
1241	Union Pacific Railroad	16830/21198	1998	Kershaw 46-2 Regulator - 1998	46-421-08
1240	Union Pacific Railroad	16832/21200	1998	Kershaw 26-3 Regulator - 1998	26-241-08
1037	Union Pacific Railroad	19036, 23665	2000	HTT Anchor Boxer - 2000	257250
1038	Union Pacific Railroad	19037, 23666	2000	HTT Anchor Boxer - 2000	257230
1039	Union Pacific Railroad	19039, 23667	2000	HTT Anchor Boxer - 2000	257531
1041/1256	Union Pacific Railroad	19425, 23721	2000	Pettibone Speed Swing - 2000	3183
232	Union Pacific Railroad	19680	2000	Cat D8R Bulldozer - 2000	7XM04781
446	Union Pacific Railroad	20146	2000	Nordco Anchor Applicator - 2000	680271
447	Union Pacific Railroad	20147	2000	Nordco Anchor Applicator - 2000	680272
451	Union Pacific Railroad	20314	2000	M-Jack Reach Stacker - 2000	500682
583	Union Pacific Railroad	23090	2002	Brandt Road Rail Power Railcar Mover	2WLMALAV82KJ53556
528	Union Pacific Railroad	20671	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J12K972416
459	Union Pacific Railroad	20672	2000	Brandt Road Rail Power Railcar Mover	2WLPC03J1XK958391
544	Union Pacific Railroad	20673	2001	Brandt Road Rail Power Railcar Mover	2WLECD03J2XK972981
477	Union Pacific Railroad	20674	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J1XK969707
527	Union Pacific Railroad	20675	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J2XK972353
545	Union Pacific Railroad	20676	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J72K972623
478	Union Pacific Railroad	20677	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J3K970178
483	Union Pacific Railroad	20678	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J11K971326
529	Union Pacific Railroad	20679	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J12K972562
543	Union Pacific Railroad	20680	2001	Brandt Road Rail Power Railcar Mover	2WLPD03J72K972985
563	Union Pacific Railroad	20689	2002	Brandt Road Rail Power Railcar Mover	2WLMALAV82KJ53555
466	Union Pacific Railroad	21479	2001	Nordco Ride On Tie Adzer	216
480	Union Pacific Railroad	21721	2001	Stanley Hydraulic Tools	Various
481	Union Pacific Railroad	21722	2001	Stanley Hydraulic Tools	Various
482	Union Pacific Railroad	21723	2001	Stanley Hydraulic Tools	Various
468	Union Pacific Railroad	21967	2001	Kawasaki Wheel Loader Model 1152IV	11C3-5705
540	Union Pacific Railroad	22435	2001	Vermeer Directional Drilling Unit	917
541	Union Pacific Railroad	22436	2001	Vermeer Directional Drilling Unit	1022
538	Union Pacific Railroad	22437	2001	Ditch Witch Vac-Tron Vacuum Truck	2V0130
539	Union Pacific Railroad	22438	2001	Ditch Witch Vac-Tron Vacuum Truck	2V2693
702	Union Pacific Railroad	22979	2002	Kawasaki Front End Loader	97C3-5894
542	Union Pacific Railroad	22975	2001	Caterpillar 953 Trackloader	22N03412
420/476	Union Pacific Railroad	25216	2000	HTT Mark IV Tamper	7101970
320	Union Pacific Railroad	9053 A/21891	1997	Jackson 6700 Tamper - 1997	152785
315	Union Pacific Railroad	9053 B/21905	1997	Jackson 6700 Tamper - 1997	152783
320	Union Pacific Railroad	9053 C/21784	1997	Jackson 6700 Tamper - 1997	152784
438	Union Pacific Railroad	21530	2000	KKI KBR 900 Regulator	048-900
665	Union Pacific Railroad	25337	2002	Platform Trailer	BDDK 532031000683
663	Union Pacific Railroad	25338	2002	Nordco Model C Spiker	410356
664	Union Pacific Railroad	25339	2002	Nordco Model C Spiker	410359
666	Union Pacific Railroad	25339	2002	Nordco Model C Spiker	410357
1514	Union Pacific Railroad	25340	2002	Nordco Model C Spiker	410345

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Item #	Lessee	Schedule	Year	Equipment Description	Serial Number
Nordco Rental Fleet					
453	BNSF	36923	2001	Tie Plugger	510004
354	I&M Rail	Appraised	1999	Nordco Anchor Applicator	680259
353	Nashville & Eastern	Appraised	1999	Nordco Model C Spiker	205
417	Illinois Central	Appraised	2000	Nordco Model C Spiker	410277
440	Available	Appraised	2000	Nordco Ground Hog Ballast Regulator	9909
375	British Columbia Rail	Appraised	1999	Nordco Pyke BC60 Brushcutter	9908
473	CN	37043	2001	Nordco Anchor Applicator	680273
474	CN	37043	2001	Nordco Anchor Applicator	680274
475	UP	37043	2001	Nordco Anchor Remover	670026
524	Elgin, Joliet & Eastern	37073	2001	Nordco Ride On Adzer	250218
531	CSX	37104	2001	Nordco G2 Ballast Regulator	810154
536	NS Mining Indiana Harbor Belt	37135	2001	Nordco Anchor Applicator	680278
552	Railworks	37226	2001	Nordco Super Claw	350510
553	Railworks	37226	2001	Nordco Super Claw	350511
567	Oil Well Supply		2001	Nordco Spike Driver	410319
589	Volunteer Track Work		2002	Nordco Tripp	760125
636	IHB		2002	Nordco Anchor Applicator	680281
637	IHB		2002	Nordco Anchor Applicator	680282
629	IHB		2002	Nordco Super Claw	350515
654	IHB		2002	Nordco Tripp	760139
813	Nordco Anchor Applicator		2002	Nordco Anchor Applicator	680285
814	Nordco Anchor Applicator		2002	Nordco Anchor Applicator	680286
815	Nordco Ride on Adzer		2002	Nordco Ride on Adzer	250227
816	Nordco Autolift		2002	Nordco Autolift	790647

	Totals					
	Inventory					
706	Walden's Backhoe Service	A-1	2000	HTT Mark I Tamper		1076518
393	Available	Appraised	1999	Nordco Bushwacker Brushcutter		114
401	Available	Appraised	1999	Nordco Brushcutter @ relam		115
419	CN /Wisconsin Central	A-3	2000	Kershaw Kribber/Adzer - 2000		38-154-00
324	FT Super Gopher Model GO4S		1997	FT Super Gopher Model GO4S		602-19
	46-6 Kershaw BR		1993	46-6 Kershaw BR		8641296
470	Burlington Northern Santa Fe	46-456-01	2001	Kershaw 46-6 Ballast Regulator		46-456-01
349	HTT TR-10 Tie Ext/Inst - 1999		1999	HTT TR-10 Tie Ext/Inst - 1999		5592409
455/435	Wisconsin Central		2000	441b Speedswing 1976 Reman 2000		2113
688	KKI KTC 1200 Tie Crane		2002	KKI KTC 1200 Tie Crane		1200-044-02
691	KKI KTC 1200 Tie Crane		2002	KKI KTC 1200 Tie Crane		1200-046-02
692	KKI KBR 900 Regulator		2002	KKI KBR 900 Regulator		900-064-02
689	KKI KBR 825 Regulator		2002	KKI KBR 825 Regulator		825-008-02
1213	Burlington Northern Santa Fe	11033396	2002	Kershaw 46-2 Ballast Regulator		46-474-01
1212	Burlington Northern Santa Fe	11033396	2002	Kershaw 46-2 Ballast Regulator		46-473-01
1031	Union Pacific Railroad	16669, 23729	2000	Nordco Anchor Applicator - 2000		680262
1030	Union Pacific Railroad	16670, 23730	2000	Nordco Anchor Applicator - 1999		680258
1040	Union Pacific Railroad	20142, 23662	2000	Nordco Anchor Applicator - 2000		680246
1184	Union Pacific Railroad	20144, 23663	2000	Nordco Anchor Applicator - 2000		680259
	Union Pacific Railroad	21560	1997	Nordco Anchor Applicator - 1997		239
	Union Pacific Railroad	20189, 23684	1998	Racine Anchor Boxer - 1998		AM319-98
	KKI KTC 900 Regulator		2002	KKI KTC 900 Regulator		900-065-02
	KKI KTC 850 Regulator		2002	KKI KTC 850 Regulator		850-083-02
	KKI KTC 850 Regulator		2002	KKI KTC 850 Regulator		850-082-02
511	406 HTT / UP	17085	2000	Tie Pluggor - 2000		809 1330 12 K
512	406 HTT / UP	17085	2000	Tie Pluggor - 2000		809 1340 12 K
513	406 HTT / UP	17085	2000	Tie Pluggor - 2000		809 1350 12 K
505	406 HTT / UP	17013	2000	Tie Pluggor - 2000		809 1270 12K
506	406 HTT / UP	17013	2000	Tie Pluggor - 2000		809 1280 12K
507	406 HTT / UP	17013	2000	Tie Pluggor - 2000		809 1290 12K
508	406 HTT / UP	17014	2000	Tie Pluggor - 2000		809 1300 12 K
509	406 HTT / UP	17014	2000	Tie Pluggor - 2000		809 1310 12 K
510	406 HTT / UP	17014	2000	Tie Pluggor - 2000		809 1320 12 K
	Total					

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Item #	Lessee	Schedule	Year	Equipment Description	Serial Number
Sold					
367	Sold 3-2002	N/A	1998	Jackson 925 Tie Inst/Ext	152880
376	Available	N/A	1999	Jackson 925ss Tie Inst/Ext	153047
325	Available	N/A	1998	FT Super Gopher Model GO4S	4791807
535	BC Rail Indiana Harbor Belt	37135	2001	Nordco Spike Driver	318
sell	361 Alaska Railroad Company	A-22		Racine Dual Anchor Adjuster	210-99
sell	363 Alaska Railroad Company	A-23		Fairmont Model SMTP - Tie Plugger	8091189
sell	387 Alaska Railroad Company	A-19	1999	Kershaw 48-5 Regulator - 1999	48-438-99
sell	450 Union Pacific Railroad	19922	2000	JLG Boom Manlift - 2000	300015497
sell	449 Union Pacific Railroad	20047	2000	Ditch Witch Rod Pusher - 2000	214201
Sold	348/520 Harsco Track Technologies	A-1	2000	Jackson 6700 Tamper - 1993	151885
sell	339 Union Pacific Railroad	9064	1998	HTT W133 Profile Grinder - 1998	256483
518	Union Pacific Railroad	21479	2001	Nordco Ride On Tie Adzter	217
462	Union Pacific Railroad	21497	2001	Cat 8su Bulldozer push face plate	119-0485
304,377	Jackson 950 Tie Crane		1998	Jackson 950 Tie Crane	152947
	Jackson 925SS Ext/Ins		1993	Jackson 925SS Ext/Ins	137146
471	Union Pacific Railroad	21753	2001	Racine Ultra S-Clipper	CCAR0008
525	Union Pacific Railroad	21753	2001	Racine Production Clip Applicator	SAR11801
526	Union Pacific Railroad	21754	2001	Racine Production Clip Applicator	SAR11901
472	Union Pacific Railroad	21754	2001	Racine Ultra S-Clipper	CCAR0007
534	Union Pacific Railroad	22368	2001	Nordco M 3 Lag and Drill Machine	450070
533	Union Pacific Railroad	22367	2001	Nordco M 3 Lag and Drill Machine	450069
332	SEPTA	Appraised	1998	Nordco Grabber	330503
369	I&M Rail	Appraised	1999	Nordco Model C Spiker	234
335	BNSF	Appraised	1999	Nordco Autolift	612
359	Alaska Railroad Company	A-18		Nordco Model C Spiker	410230
372	Alaska Railroad Company	A-20		Jackson 6700 Tamper	153033
373	Alaska Railroad Company	A-21		Jackson 3300s Tamper	153005
				American Model 840DEH Locomotive	
439	Alaska Railroad Company	A-25	2000	Crane - 1981	L4291
1515	562 CN	A-1	2001	Nordco M2 Snow Regulator	800118
1516	563 CN	A-2	2001	Nordco M2 Snow Regulator	800119
1517	564 CN	A-3	2001	Nordco M2 Snow Regulator	800120
222	383 The Oil Well Supply Co.		1999	Nordco Pyke M-2 Regulator - 1999	9815
	368 BNSF	Appraised	1999	Nordco Model C Spiker	237
558	Union Pacific Railroad	22736	2001	Racine Ultra S-Clipper	111-01
559	Union Pacific Railroad	22737	2001	Racine Ultra S-Clipper	112-01
560	Union Pacific Railroad	22739	2001	Racine Ultra S-Clipper	113-01
561	Union Pacific Railroad	22740	2001	Racine Ultra S-Clipper	114-01
430	(2) Plasser MFS-40 Cars		2000	(2) Plasser MFS-40 Cars	1937, 1938
465	Union Pacific Railroad	21781	2001	Ditch Witch Rod Pusher	211345
400 549	Available	Appraised	1999	Nordco Brushcutter	719
537	Indiana Harbor Belt	37135	2001	Nordco Anchor Applicator	680280
329	LA Colo RailWorks - Merr RR	A-4	2000	Nordco Auto Lift - 2000	611
364	Huron Central / Nordco		1997	Nordco Mdl M Ballast Reg - 1997	9717
Sales not in BB					
830	Great Smoky Mountain	A-1	2002	Geismar 360 Crane	221597
1287	411 Hydraulic & Equipment Repair	A-1	2000	KKI KBR-850 Regulator - 2000	30-850-00
	UP Standard Gang				
	Union Pacific Railroad	23067	2002	W113E Spike Puller	257624
568	Union Pacific Railroad	23067	2000	W113E Spike Puller	257523
586	Union Pacific Railroad	23067	2002	W134A Dual Spike Puller	257613
	Union Pacific Railroad	23067	2002	RTW 200 Tie Crane	257647
	Union Pacific Railroad	23067	2002	RTW 200 Tie Crane	257648
619	Union Pacific Railroad	23067	2002	RTW 200 Tie Crane	257649
618	Union Pacific Railroad	23067	2002	RTW 200 Tie Crane	257650
620	Union Pacific Railroad	23067	2002	RTW 200 Tie Crane w/Magnet	257656
	Union Pacific Railroad	23067	2002	Jaws Anchor Spreader	257578
	Union Pacific Railroad	23067	2002	Anchor Squeezer	6300592
	Union Pacific Railroad	23067	2002	Anchor Squeezer	6300602
586	Union Pacific Railroad	23067	2002	Super TKO Tie Remover/Inst	257615
586	Union Pacific Railroad	23067	2002	TKO Tie Remover/Insertor	257573
586	Union Pacific Railroad	23067	2002	TKO Tie Remover/Insertor	257617
601	Union Pacific Railroad	23067	2002	W87E Tie Bed Scarifier	257636
	Union Pacific Railroad	23067	2002	Towed Plate Broom (Drone)	257658
624	Union Pacific Railroad	23067	2002	W141A Rail Lifter	257635
617	Union Pacific Railroad	23067	2002	Top Gun 2000 Model "E"	257640
623	Union Pacific Railroad	23067	2002	Top Gun 2000 Model "E"	257641
622	Union Pacific Railroad	23067	2002	Top Gun 2000 Model "E"	257642
586	Union Pacific Railroad	23067	2002	3300S Chase Tamper	153166
586	Union Pacific Railroad	23067	2002	3300S Chase Tamper	153166
	Union Pacific Railroad	23067	2002	6700 Production Tamper	153127
682	Union Pacific Railroad	23067	2002	TS-30 Track Stabilizer	6100842

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[illegible]

SCHEDULE 1(i)(i) TO SECURITY AGREEMENT

Patents and Applications

NONE

SECURITY AGREEMENT

SCHEDULE 1(i)(ii) TO SECURITY AGREEMENT

Copyrights, Maskworks and Applications

NONE

SECURITY AGREEMENT

SCHEDULE 1(i)(iii) TO SECURITY AGREEMENT

Trademarks, Service Marks and Applications

NONE

SECURITY AGREEMENT

EXHIBIT A

[FORM OF SUPPLEMENTAL SECURITY AGREEMENT]

SUPPLEMENTAL SECURITY AGREEMENT NO. ____

THIS SUPPLEMENTAL SECURITY AGREEMENT dated as of _____, 200__, is made by FCM Rail, Ltd., a Michigan corporation (the "Company"), in favor the Lenders (collectively, the "Lenders" and individually, a "Lender"), and The Huntington National Bank, a national banking association, as syndication agent for the Lenders (in such capacity, the "Syndication Agent"), for the benefit of itself and the Lenders now or hereafter parties to the Credit Agreement described below;

WHEREAS the Company has entered into a Credit Agreement dated as of March __, 2003 (as further amended or modified from time to time, the "Credit Agreement"), with the Lenders, the Syndication Agent, and Fifth Third Bank, as Administrative Agent for the Lenders, pursuant to which the Lenders may make Loans (as therein defined) to the Company;

WHEREAS the Company has executed and delivered to the Syndication Agent and the Lenders a Security Agreement dated March __, 2003 (hereinafter the "Security Agreement"), covering the property of the Company therein described, to secure the due and punctual payment and performance of the Secured Obligations (as defined in the Security Agreement);

WHEREAS the Security Agreement was duly recorded with the secretary of the Surface Transportation Board at Washington, D.C., on _____, 200__, pursuant to 11301 of Title 49 of the U.S. Code;

WHEREAS all things necessary to make this Supplemental Security Agreement valid, binding and legal obligation of the Company, including all proper corporate action on the part of the Company, have been done and performed and have happened;

NOW, THEREFORE, THIS SUPPLEMENTAL SECURITY AGREEMENT WITNESSETH, that, to secure the due and punctual payment and performance of the Secured Obligations and to secure performance of all obligations and covenants of the Company under the Security Agreement, as supplemented hereby, the Company hereby grants, assigns and transfers a first-priority security interest, subject only to Permitted Liens, to the Syndication Agent, for the benefit of itself and the Lenders (as defined in the Credit Agreement), in the following Rolling Stock:

<u>Description</u>	<u>Serial No.</u>
_____	_____
_____	_____

TO HAVE AND TO HOLD all and singular the Rolling Stock unto the Syndication Agent, for the benefit of itself and the Lenders (as defined in the Credit Agreement), and its successors and assigns, for the uses and purposes and subject to the terms, provisions, agreements and covenants set forth in the Security Agreement.

This Supplemental Security Agreement is intended to be delivered in the State of Michigan and shall be governed by the laws of that State.

SECURITY AGREEMENT

This Supplemental Security Agreement shall be construed as supplemental to the Security Agreement and shall form a part thereof, and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

This Supplemental Security Agreement may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Supplemental Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Security Agreement to be duly executed, as of the day and year first above written.

FCM RAIL, LTD., a Michigan corporation

By: _____

Its: _____

Accepted and Agreed:

THE HUNTINGTON NATIONAL BANK, as Syndication Agent and
on behalf of the Lenders

By: _____

Its: _____

SECURITY AGREEMENT

On this ____ day of March, 2003 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of FCM Rail, Ltd., a Michigan corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Signature of Notary Public
My commission expires _____

On this ____ day of March, 2003 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of The Huntington National Bank, a national banking association, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Signature of Notary Public
My commission expires _____

DETROIT 25535-6 712660v11

SECURITY AGREEMENT